

**RJReynolds**  
Tobacco Company

FILE COPY 4793

September 16, 1997

Mr. J. W. Best

Subject: Retail Accrual Matching Program

Dear Jim:

The Florida Region has developed a number of creative methods to utilize match dollars to add a point of difference at retail. In the interest of sharing Best Practices, you will find enclosed samples of the most recent phone card promotion and support materials. You will also find a sample of one of the NASCAR golf shirts that they are working. The following outlines the program specifics.

**Objective**

Generate a leverageable point of difference at retail with match dollar funded promotions.

**Strategy**

Develop low cost retailer administered continuity promotions designed to increase brand and store loyalty.

**Tactics**

- Working with a local supplier, the Accrual Programs were developed using high Impact premium items.
- Premium items and support materials are purchased by the ROU out of Price Gap Defense Spending.
- Retailer self funds Price Gap Defense during Plan A period to achieve Retailer Match Spending.
- Sales Reps deduct Retailer Match dollars from Plan A payment.
- ROU debits individual retail account's accrual for cost of the premium items.
- Phone discount per pack = 29¢
- NASCAR golf shirt per pack = 28¢

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<u>Phone Card and Features</u>	<u>Approximate Cost Per Carton</u>
1) 15 minutes free air time	\$2.92
2) 4 color collectible plastic cards	
3) Scratch-off covering PIN number	
4) 24 hour MCI customer service	
5) Stamp-a-pack card	
6) Stamp and pad (1 needed per account)	
7) 4 color posters 24" X 36"	
8) Requires (10) pack purchases	

<u>NASCAR Golf Shirt</u>	<u>Approximate Cost Per Carton</u>
1) High quality 100% cotton shirt (2 styles)	\$2.75
2) Official licensed apparel	
3) Embroidered with 2 or 3 NASCAR logos	
4) Stamp-a-pack cards	
5) Stamp and pad	
6) 4 color posters (24" x 36")	
7) Requires 50 pack purchase plus \$5 cash	

The programs have been quickly embraced by retailers as the popularity of phone cards and NASCAR are growing at a tremendous rate.

Retailers are less likely to defraud the programs as they have already self funded a portion of Price Gap Defense.

The major benefit to this program is measured not in number of sticks delivered, but rather in terms of leverage. Retailers view these programs as distinct points of differences between them and the competitor. Reps are very successful in applying this leverage to gain meaningful in-store advantages.

Please determine what level of interest your SR's may have along with a projected quantity for 4th Quarter, 1997

If you need any additional information, please advise.

Sincerely,

*Jucane*

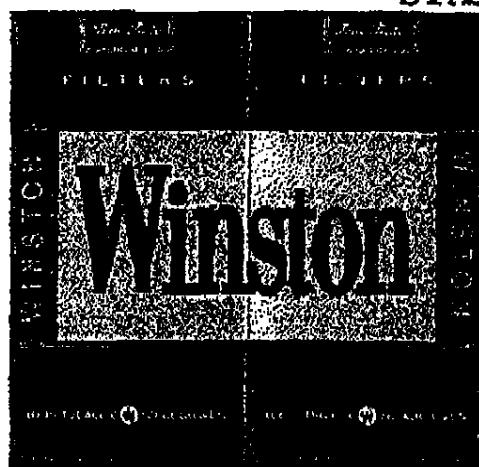
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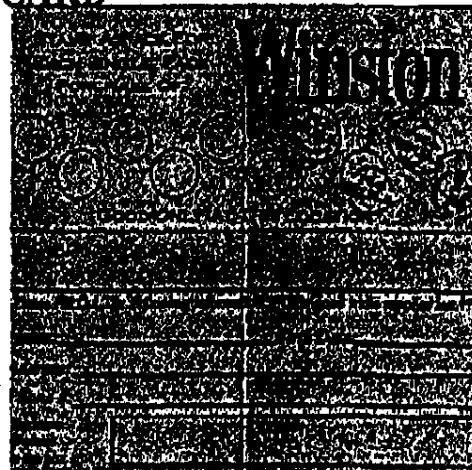
cc: Dave Turner

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## STAMP CARD



Card Front

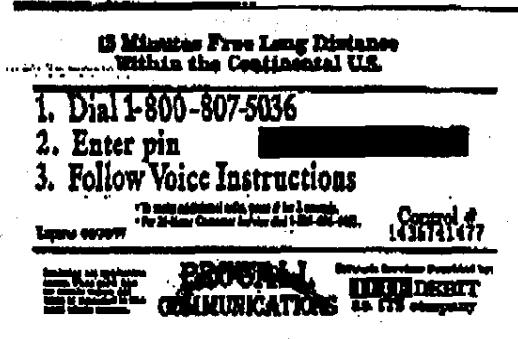


Card Back

## PHONE CARD



Card Front



Card Back

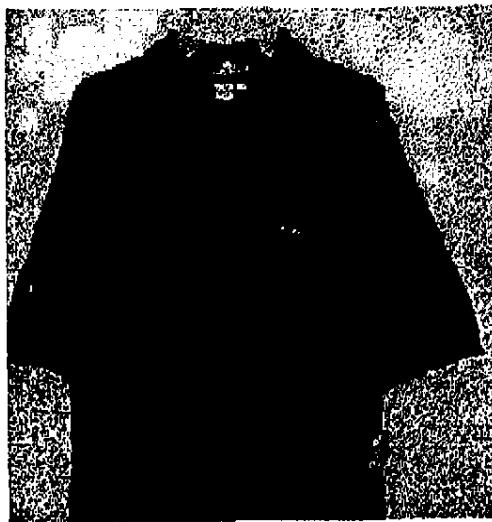
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2326					
2328					
2330					
2332					
2335					
2337					
Total:					

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Shirt 1



Shirt 2



Shirt 3



Division #	# Stores	Shirt 1	Shirt 2	Shirt 3	# Stamp Cards.	# Stamps	# POS
2326							
2328							
2330							
2332							
2335							
2337							
Total:							

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